

ARKANSAS STATE MEDICAL BOARD

Enabling Laws

Act 1152 of 2005

A.C.A. §17-95-202; A.C.A. §17-95-301

A.C.A. §17-88-201; A.C.A. §17-95-704

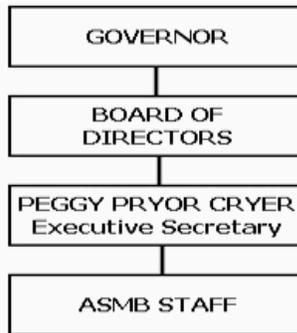
A.C.A. §17-99-201; A.C.A. §17-105-118

History and Organization

In 1955 the General Assembly of the State of Arkansas abolished the three existing medical examining boards to create a single board, namely the Arkansas State Medical Board. A thirteen (13) member Board of Directors appointed by the Governor for six (6) year terms governs it, consisting of eleven (11) physicians and two (2) consumer representatives. In 1971 the Arkansas Osteopathic Board was abolished, and the Arkansas State Medical Board was given the duty of licensing all Osteopathic physicians formerly licensed by the Osteopathic Board. In 1991 a practitioner of Osteopathic medicine was established as a permanent member of the Board of Directors for the Arkansas State Medical Board. In 1995 legislation was passed implementing the State of Arkansas Centralized Credentials Verification Service (CCVS). This Act established a central repository of physicians' credentials in the Arkansas State Medical Board office. In 1999, Act 1066 of 1995 was replaced by Act 1410, which mandated the use of this data repository by all credentialing organizations, hospitals, insurance companies, HMO's (in state and out of state) after specific criteria had been met. This program, which may serve as a model for other states, was designed and developed with the Arkansas State Medical Board. The criterion for implementation of the mandate phase of Act 1410 was met in August 2001, allowing the Board to set the implementation date of January 1, 2002.

The Board licenses and regulates physicians, physician assistants, doctors of osteopathy, physician assistants, occupational therapists, and respiratory therapists. The Board also registers medical corporations. Licensure is by credentials, or by those who have successfully passed an examination approved by the Arkansas State Medical Board as set forth in their rules and regulations. Applications are processed by the office of the Executive Secretary, and then presented to the Board for their approval. The Board convenes bi-monthly and conducts all hearings on disciplinary actions as authorized and directed by the Arkansas Medical Practices Act. Under concepts of due process of law, each disciplinary hearing must be preceded by a formal notice, which is prepared by the Board attorney and then issued by the Executive Secretary. Each disciplinary charge is scheduled for a formal hearing before the Board and any citizen filing a charge or complaint against a physician before the Board is afforded a hearing. Any person attempting to practice medicine, respiratory care, occupational therapy, or as a physician assistant without being properly licensed, is subject to judicial action by the Board.

The Board is a cash agency and entirely self-supporting. The Board's revenues are received by fees charged for licensure, annual renewals, fines, credentialing requests, issuance of special certificates and permits, and requests for the Board Directory which is compiled annually and lists all physicians, therapists, and physician assistants currently licensed by the Board.



Agency Commentary

The Arkansas State Medical Board was given the charge of protecting the health, safety, and welfare of the citizens of the State of Arkansas by the General Assembly, with the goal that all citizens be provided the highest quality health care. The operations of the Board are funded from the receipts of fees charged by this agency. Change Level requests total \$701,602 for FY08 and \$443,144 for FY09.

Regular Salaries

An increase in salaries of \$204,464 in FY08 and FY09 is for four new positions. This request includes a new Database Analyst and Program Support Manager as well as one additional Licensing Coordinator and Credentialing Coordinator in our Licensing and Centralized Credentials Verification Service(CCVS) departments.

Operating Expenses

An increase of \$149,138 in FY08, of which \$53,288 is for Disaster Relief Planning software, equipment, internet connectivity, security installation and servicing, and equipment racks; \$73,850 is for minor structural changes to the board's server room to accommodate IT equipment, and \$22,000 is to replace out of warranty and expiring life cycle software and workstations.

An increase of \$53,680 in FY09, of which \$33,680 is for Disaster Relief Planning software, security, internet connectivity, and recurring costs; and \$20,000 is for replacing out of warranty and expiring life cycle software and workstations.

Conference & Travel Expenses

An increase of \$10,000 for both FY08 and FY09 for training of IT department personnel to keep them abreast of changing technology, and training and industry conferences for other Board employees.

Professional Fees

An increase of \$141,000 for FY08 and \$126,000 for FY09 to cover a \$6,000 increase in our Professional Consultant Services contract for Information Technology consulting services for both years; a new Professional Consultant Services contract for \$70,000 for a Medical Director (being implemented in FY07 and as authorized by A.C.A. §17-95-303(5)) for both years; a new Professional Consultant Services contract for \$50,000 for an outside investigator for both years; and \$15,000 in FY08 to cover the expense of our National Committee for Quality Assurance certification audit.

Capital Outlay

A request for \$197,000 in FY08, of which \$130,000 is for Disaster Relief Planning equipment, firewall, four servers, network switch, web cam, universal power switches and a portable AC unit; and \$67,000 is for replacement of out warranty and expired life cycle servers and equipment.

A request for \$49,000 in FY09 to replace out of warranty and expired life cycle servers and equipment.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE MEDICAL BOARD
FOR THE YEAR ENDED JUNE 30, 2005

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	3	24	27	87 %
Black Employees	1	3	4	13 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	13 %
Total Employees			31	100 %

Cash Fund Balance Description as of June 30, 2006

Fund Account	Balance	Type	Location
3180000	\$102,546	CD	Eagle Bank, LR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licenseses birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, C CVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Fund Account	Balance	Type	Location
3180000	\$100,000	CD	Metropolitan Bank, LR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licenseses birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Fund Account	Balance	Type	Location
3180000	\$90,000	CD	Parkway Bank, Portland, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licenseses birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Fund Account	Balance	Type	Location
3180000	\$100,000	CD	Bank of the Ozarks, LR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, C CVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Fund Account	Balance	Type	Location
3180000	\$100,000	CD	BancorpSouth, LR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, C CVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Fund Account	Balance	Type	Location
3180000	\$100,000	CD	USBank, LR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, C CVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Fund Account	Balance	Type	Location
3180000	\$200,000	CD	Bank of the Ozarks, LR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licenseses birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Fund Account	Balance	Type	Location
3180000	\$300,000	CD	Bank of the Ozarks, LR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licenseses birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Fund Account	Balance	Type	Location
3180000	\$100,000	CD	First Security Bank, LR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licenseses birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Fund Account	Balance	Type	Location
3180000	\$371,064	Checking	Metropolitan National Bank, LR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Fund Account	Balance	Type	Location
3180000	\$1,565	Checking	Regions Bank, LR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Fund Account	Balance	Type	Location
PMB0100	\$5,838	Payroll	State Treasury

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licensees birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, CCVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Fund Account	Balance	Type	Location
3180000	\$100,000	CD	Delta Trust, LR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Licenses birth month, licenses renewals throughout the year. Endorsements, temp permits, late fees, publications, investments interest, certifications, C CVS credentialing orders, board fines.

Fund Balance Utilization:

To pay all expenses of Board and Centralized Credentials Verification Service operations including Board meetings, disciplinary hearings, complaint investigations, and all office operations.

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
AR Medical Practices Act	A.C.A. §17-95-201	N	N	1,000	Required licensure information.
Directory	A.C.A. §17-95-201	N	N	10,000	Update licensees, boards and health related organizations for Public use.
Newsletter	A.C.A. §17-95-201	N	N	40,000	Update licensees, boards, and health related organizations.

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
34	33	1	34	0	2.94%	34	33	1	34	0	2.94%	34	31	3	34	0	8.82%

Analysis of Budget Request

Appropriation: A23 - St Medical-Oprs

Funding Sources: 318-Medical Board-Cash

The Arkansas State Medical Board is funded from fees charged by the Agency, as authorized by A.C.A. §17-88-304. The Board licenses and regulates physicians, physician assistants, doctors of osteopathy, physician assistants, occupational therapists and respiratory therapists. The Board also registers medical corporations. The goal of the Medical Board is that all citizens be provided the highest quality health care.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$1,276,542 for Regular Salaries does include board member Stipend payments. Personal Services Matching may reflect increases in the Base Level due to certain increases in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Board is currently authorized 34 full-time positions and one extra help position as well as maintenance and operation expenses totaling \$2,666,574 each year of the biennium. Additional requests total \$701,602 in FY08 and \$443,144 in FY09. These requests increase existing operations, provide for disaster planning and technology needs.

Increases to Existing Operations

Since implementation of the Centralized Credential Verification Service (CCVS) in January, 2002, the Board has seen a tremendous increase in the number of physician applications, orders and releases worked by the Licensing and Credential Coordinators. Physician applications have increased 43%, and since FY03 orders have increased 26.4% and releases have increased by 13.8%. Several factors have caused these increases. Telemedicine physicians are used by small rural facilities and may contract with 100-200 facilities, thus requiring a greater amount of processing time to license. The Board is meeting more often, thus giving the coordinators less time to complete their verification process and present information for the Board to review. Changes in legislation and criminal background checks have also increased processing time. There are currently three Licensing Coordinators and twelve Credentialing Coordinators authorized. The Board is requesting an additional Licensing Coordinator as well as a Credentialing Coordinator costing \$94,834 each year of the biennium.

A Program Support Manager position is being requested to assist the Executive Secretary as well as the Medical Director. The overall increase in the Board's day-to-day business has greatly affected the Regulatory Department and this position will oversee staff as well as assist in administrative needs. The cost of this position for each year of the biennium is \$54,815.

Due to the increased workload and the complexity of the Board's internal network of servers and workstations, minor remodeling of the server room has become necessary. The remodeling will include a raised floor support system as well as replacement of the current environmental control system. The Board is requesting Operating Expenses of \$73,850 in FY08.

Professional Fees in the amount of \$135,000 in FY08 and \$120,000 in FY09 are requested to continue a \$70,000 annual contract for the Medical Director (authorized by A.C.A. §17-95-303(5)), a \$50,000 annual contract for an outside investigator and a \$15,000 contract in FY08 to cover the expense of a certification audit by the National Committee for Quality Assurance.

Disaster Planning

The Board is requesting Operating Expenses in the amount of \$53,288 in FY08 and \$33,680 in FY09 as well as Capital Outlay of \$130,000 in FY08. These requests are being submitted in order for the Board to meet the Governor's directive for a Disaster Relief Plan. These dollars will provide the Agency with an off-site center fully equipped and able to be brought online at a moments notice. The requests will be used for installation of equipment and a security system as well as the purchase of software, a laptop, and four servers. The IT Director for the Board will regularly check on the site and equipment will be constantly updated with data.

Technology Requests

As the Board continues to address the Governor's directive of moving the State towards the benefits of e.government, additional staff and supporting maintenance and operation costs are being requested. The Board as well as citizens and corporations are becoming more dependent upon accessing electronic data stored in the Board's databases. To ensure that the data remains secure and valid and equipment continues to operate at peak performance, the Board is requesting a Database Analyst at the cost of \$54,815 each year of the biennium. This additional position will also be assisting with preparation of data for the off-site center to be used during disaster recovery operations.

In addition to the new position, maintenance and operation costs in the amount of \$105,000 in FY08 and \$85,000 in FY09 are requested to replace software and workstations, provide training for IT Department personnel and replace out of warranty servers and equipment.

Executive Recommendation denies the Board's request for new positions and provides Agency Request for Professional Fees. Operating Expenses of \$22,000 in FY08 and \$20,000 in FY09 as well as Capital Outlay of \$53,000 in FY08 and \$49,000 in FY09 are recommended. Expenditure of appropriation is contingent upon available funding.

Appropriation

Appropriation: A23 St Medical-Oprs
Funding Sources: 318-Medical Board-Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,078,751	1,276,542	1,236,542	1,276,542	1,432,266	1,276,542	1,276,542	1,432,266	1,276,542
#Positions	34	34	34	34	38	34	34	38	34
Extra Help 5010001	5,051	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
#Extra Help	1								
Personal Services Matching 5010003	377,973	396,094	400,507	400,032	448,772	400,032	400,032	448,772	400,032
Operating Expenses 5020002	828,180	840,500	840,500	840,500	989,638	862,500	840,500	894,180	860,500
Conference & Travel Expenses 5050009	4,851	5,000	5,000	5,000	15,000	5,000	5,000	15,000	5,000
Professional Fees 5060010	124,929	130,000	130,000	130,000	271,000	271,000	130,000	256,000	256,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements 5110014	4,642	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Capital Outlay 5120011	61,674	53,000	53,000	0	197,000	53,000	0	49,000	49,000
Total	2,486,051	2,715,636	2,680,049	2,666,574	3,368,176	2,882,574	2,666,574	3,109,718	2,861,574
Funding Sources									
Fund Balance 4000005	1,208,186	1,671,014		1,886,378	1,886,378	1,886,378	1,449,202	1,449,202	1,934,804
Cash Fund 4000045	2,948,879	2,931,000		2,229,398	2,931,000	2,931,000	2,487,856	2,931,000	2,931,000
Total Funding	4,157,065	4,602,014		4,115,776	4,817,378	4,817,378	3,937,058	4,380,202	4,865,804
Excess Appropriation/(Funding)	(1,671,014)	(1,886,378)		(1,449,202)	(1,449,202)	(1,934,804)	(1,270,484)	(1,270,484)	(2,004,230)
Grand Total	2,486,051	2,715,636		2,666,574	3,368,176	2,882,574	2,666,574	3,109,718	2,861,574

FY07 Budgeted amount in Regular Salaries exceeds the Authorized amount due to stipend payments to board members.

Change Level by Appropriation

Appropriation: A23-St Medical-Oprs
Funding Sources: 318-Medical Board-Cash

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	2,666,574	34	2,666,574	100.0	2,666,574	34	2,666,574	100.0
C01	Existing Program	358,499	3	3,025,073	113.4	269,649	3	2,936,223	110.1
C08	Technology	343,103	1	3,368,176	126.3	173,495	1	3,109,718	116.6

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	2,666,574	34	2,666,574	100.0	2,666,574	34	2,666,574	100.0
C01	Existing Program	135,000	0	2,801,574	105.0	120,000	0	2,786,574	104.5
C08	Technology	81,000	0	2,882,574	108.1	75,000	0	2,861,574	107.3

Justification

C01	Three additional positions (Program Support Manager, Licensing Coordinator & Credentialing Coordinator) are requested totaling \$149,649 each year of the biennium. The Program Support Manager will provide assistance to the Exec. Secretary & Medical Director as well as oversee employees working in the Regulatory Department. This Department has seen a dramatic increase in the volume of licensee, investigations, complaints, tracking and licensing in recent years. Operating Expenses in the amount of \$73,850 in FY08 are requested to complete minor construction and remodeling of the Board's IT server room. Professional Fees in the amount of \$135,000 in FY08 and \$120,000 in FY09 is requested for consultant contracts for an investigator (\$50,000 each yr), medical director (\$70,000 each yr as provided for in A.C.A. §17-95-303(5)) and \$15,000 in FY08 for National Committee for Quality Assurance certification audit.
C08	One additional position (Database Analyst) is requested in the amount of \$54,815 each year to ensure the board's electronic data remains secure and valid as demands are being placed on the board to provide information to citizens and corporations. IT requests (\$105,000 in FY08 and \$85,000 in FY09) include replacement of out of warranty and expiring life cycle software and workstations, training for IT personnel to keep them abreast of changing technology, an IT consulting contract for administrative fees as well as replacement of out of warranty and expiring life cycle servers and equipment. To meet the Governor's directive for a Disaster Relief Plan, Operating Expenses and Capital Outlay in the amount of \$183,288 in FY08 and \$33,680 in FY09 are requested. These dollars will be used to provide software, internet connectivity, security and servicing as well as equipment, firewalls, servers, switches, web cam and a portable AC unit.